



JOINT RANGE TECHNICAL SERVICES (J-TECH) PERFORMANCE MONITOR TRAINING

General

Joint Program Management
Office

13 October 2004

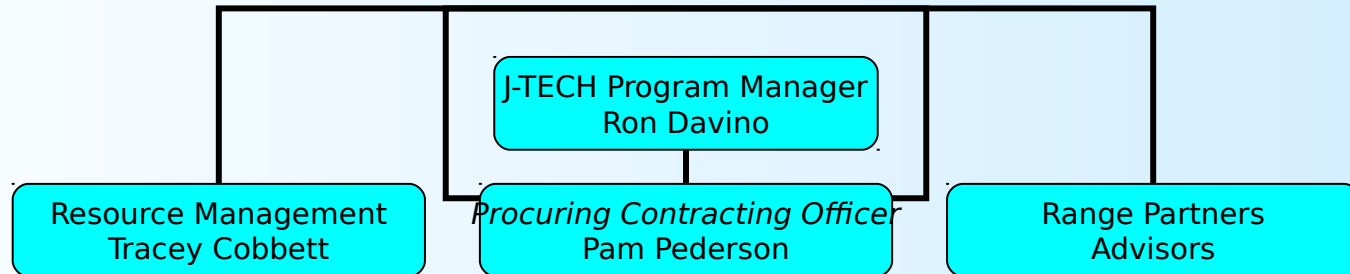
Agenda

- Introductions
- Contract Overview
- J-Tech Program Management Office (JPMO)
Structure & Responsibilities
- Program Management Structure &
Responsibilities
- Tasking Process
- Financial Management Process
- Contract Administration
- Performance Measurement Process
- Award Fee/Term Process

Contract Overview

- Contract Type: Cost-Plus Award Fee/Term
- Contract Award: 15 Jun 01
- Phase-in: 1 Jul – 31 Jan 02
- Contract start date: 1 Feb 02
- Period of Performance: 1 Feb 02 – 30 Sep 02 (w/4
opts
and 10 available award
fee
ext periods though 30
Sep 16)
- Estimated Value: \$1.7B+

JOINT Program Management Office (JPMO)



JPMO KEY POINTS OF CONTACT

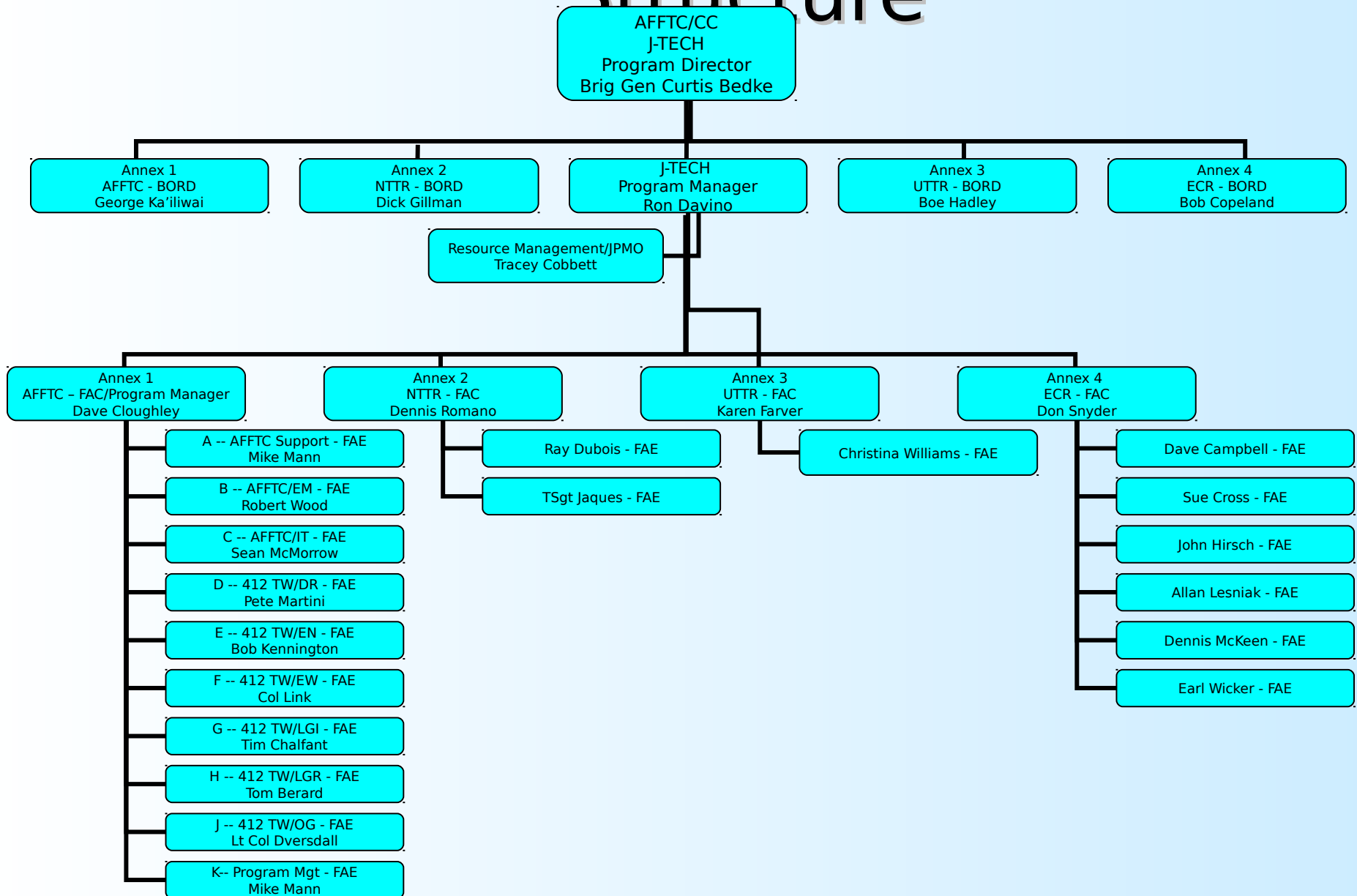
Contract-Level Performance Mgt and PM Training
– Dan Oakleaf 661)275-9456

Contract-Level Financial Mgt and WMS– Kim
Dunham 661)275-9458

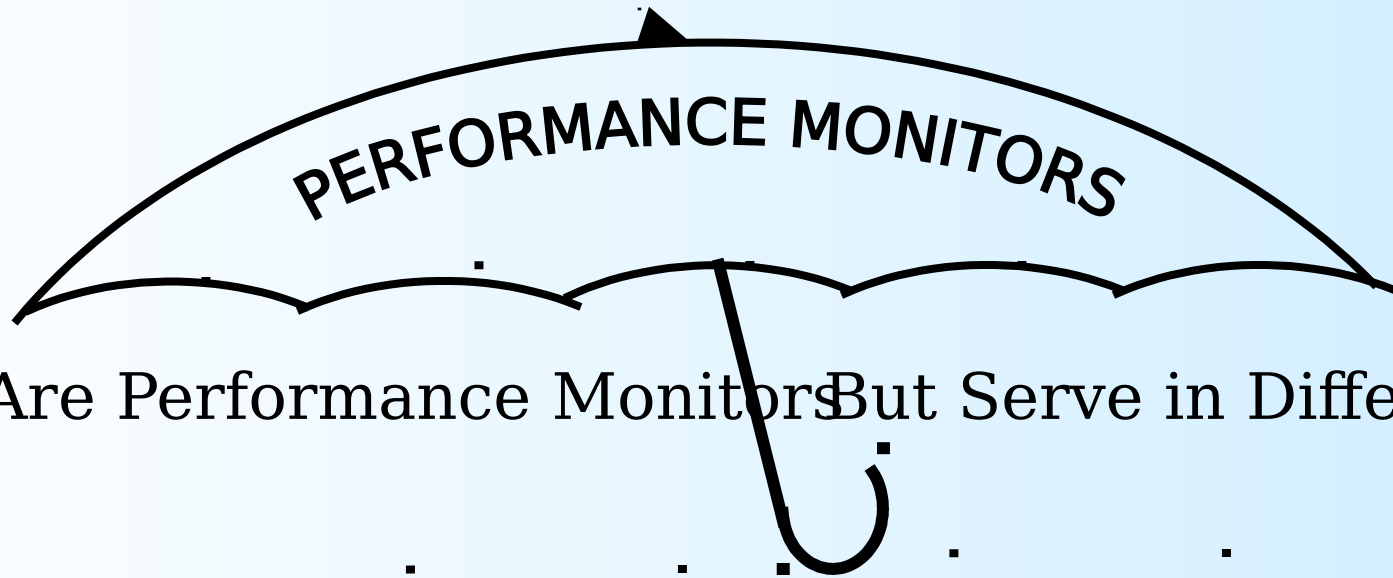
JPMO Responsibilities

- Office responsible for management of the J-Tech Contract
- Discuss contractor performance with contractor Program Manager at least monthly
- Provide management and oversight of the award fee/term and performance processes
- Provide direction, assistance and training to all performance monitors
- Review and analyze FAC performance reports for consistency and completeness
- Provide a monthly report of all contract performance activity to the AF/TRB

Program Management Structure



Performance Monitors on J-Tech



All Are Performance Monitors But Serve in Different Capacities

- **Functional Area Chief**
- **Functional Area Evaluator**
- **Functional Specialist**
- **JPMO/Range Directors**

Functional Area Chief Responsibilities

- Annex-Level Senior Representative for the J-Tech Contract
- Ensure qualified personnel are appointed and trained as FAEs
- Meet at least monthly with the contractor counterparts to discuss performance issues
- Evaluate contractor performance and provide Award Fee/Term Evaluation Reports based upon FAE inputs
- Notify the PCO or Annex ACO, as applicable, of contractor performance that is less than satisfactory

Functional Area Evaluator Responsibilities

- Organizational Leader
- Monitor, evaluate, document, and report contractor performance on Monthly Performance Monitoring Report
- Meet or correspond at least monthly with contractor counterparts to discuss performance
- Provide Award Fee/Term Evaluation Report to the FAC
- Notify the PCO or Annex ACO, as applicable, through the FAC, of any significant performance deficiencies
- Ensure performance monitors are assigned and trained

Functional Specialist Responsibilities

- Performance Monitors can be Functional Area Evaluators or Functional Specialists who:
 - Are skilled in a particular function performed by the contractor
 - Are familiar with contract terms, conditions and governing specifications
 - Develop a Performance Monitoring Plan
 - Observe contractor performance and are responsible for providing current, accurate information and assessments regarding performance
 - Submit monthly performance data
 - Submit Award Fee/Term evaluation inputs
 - Maintain a complete Performance Folder

Tasking Process

General

(Pages 2-8)

Tasking documents, such as Letters of Technical

Direction (LOTDs) or Task Directives (TDs), are

used for work which is within the scope of the

Note:

Technical Requirements Document

The term "TRD" is used synonymous with SOW, PWS, (TRD) but and is actually the bulk of Section C of the Contract.

Tasking documents do not add to or change

anything....they simply clarify the existing requirements.

Tasking Process

Task Data

(Pages 3-4)

Administrative Data

Originator

Title

Number

Technical or Annex Requirements Document Paragraph No

Service Delivery Summary (if applicable)

Charge Number

Description of Requirements

Technical Requirements

CDRL Requirements (if applicable)

Reporting Requirements

Security Requirements

Travel Requirements (if applicable)

Flying Status Requirements (if applicable)

Mandatory Data

(Do not resubmit information already written in the TRD. The LOTD is supposed to tailor, clarify, or explain in more specific detail or precise terms exactly the what, why, where, when if not covered in the TRD).

EXHIBIT 2-1

SAMPLE LETTERHEAD FOR LOTD FORMAT



DEPARTMENT OF THE AIR FORCE
HEADQUARTERS 412th TEST WING (AFMC)
EDWARDS AIR FORCE BASE, CALIFORNIA 93523-5000

<Insert Date>

MEMORANDUM FOR JT3, LLC (This stands for Joint Test, Tactics, and Training (JT3) Limited Liability Company).

FROM: Originator's Organization
Address

SUBJECT: Joint Range Technical Support (J-TECH) Letter of Technical Direction (LOTD)
Contract Number F42650-01-C-7218 (Be sure to put the contract number).

1. Administrative Data:

- Functional Specialist: (Name/Office Symbol/Phone/Fax/E-mail).
- LOTD Title: (Should reflect the support required. Example: F-22 Engineering Support).
- LOTD Number: (Example: 1C022000-0001)
- Technical Requirements Document (TRD) or Annex Requirements Document: (Make sure to put all the paragraph numbers not just the RBS number, example: Please use: 2N01.8.2.5 | Not: 2N00).
- (1) Service Delivery Summary (SDS): (If applicable).
- Charge Number: (Make sure to put all the JONs or charge numbers, not just "various").

2. Description of Requirements:

- Technical Requirements: (Define the work to be accomplished and indicate the main steps and actions, which are required of the contractor to properly conduct the LOTD).
- CDRL Requirements: (CDRL's may not apply at the LOTD level. If this is the case, write N/A).
- Reporting Requirements: (List all work related products that you would like delivered to you from your LOTD and include the frequency of those products).
- Security Requirements. (State if a Secret, Top Secret, or no clearance is required).
- Travel Requirements. (List how many trips and to where, if possible).
- Flying Status Requirements. (Needs to be coordinated through your local Government Flight Representative).

3. Mandatory Data:

Nothing in this LOTD may be construed as a change to the contract. Should the contractor determine that the provisions of the LOTD might result in a cost or schedule change to the contract, contact the Annex Administrative Contracting Officer and the Annex Program Management Office prior to proceeding.

Functional Specialist

Resource Advisor

Functional Area Evaluator

Tasking Process

Numbering System Example

(Exhibit 2-1, Page 5)

Example: 1A022000-0001

- 1** – Annex the works falls under (AFFTC)
- A** – Represents the organization being supported
- 02** – FY in which the task was initiated
- 2000** – RBS level of the task
- 0001** – Sequential numbering system used by
the organization requesting
support

Tasking Process

Task Flow Process

(Figure 2-1, Page 6)

- Task is generated, approved and forwarded to the contractor
- Contractor begins task response preparation
- Contractor submits task response to the Government for approval
- Government reviews, approves and returns to contractor for task implementation

Financial Management Process

Initial and Modification Funding Process (Figure 2-2, Page 9)

- Funding documents are processed through each annexes finance office
- Annex finance offices establish commitments in their respective accounting systems and forward the certified documents to their PCO or Annex ACOs, as applicable

Financial Management Process

J-Tech Contract Invoice Processing

(Figure 2-3, Page 10)

- Invoice Processing Office forwards Annex 1 through 4 invoice to the PCO or Annex ACO, as applicable
- PCO or Annex ACOs will work within their Annex to verify services billed
- Certified invoices are sent to supporting DFAS Operating Locations (OPLOCS) who in-turn pay the J- Tech contractor

Contract Administration

Contract Clauses (Pages 12-17)

- Government Furnished Property (Page 12)
 - Contractor must protect, preserve and maintain
 - Contact Government Property Administrator or Annex ACO for additional clarification or guidance
- Inspection of Services (Page 13)
 - Contractor must provide services contracted for
 - Government must ensure we receive what we contract for
 - Review, monitor and inspect

Contract Administration

Other Contract Issues

- Personal Services (Page 13)
 - Forbidden unless authorized by statute
 - Appearance must be avoided
- Inherently Governmental Functions (Page 15)
 - Must be performed by the Government only
- Standards of Conduct (Page 16)
 - Gratuities
 - Conflicts of Interest
 - Use of Official Information
 - www.usoge.gov

Contract Administration

Other Contract Issues

- Contractors Traveling on Government Aircraft/Vehicles (Pg 17)
 - Only authorized for direct mission support
 - Permission required prior to flying
 - Contact PCO or Annex ACO for additional guidance or clarification
- Annex 1 CO (Contact on ALL Contracting Issues)

John Robbins 661) 275-9472 Contracting Officer

Performance Monitoring Process Overview (Pages 18-30)

- Requirements
 - Outlined in Award Fee/Term Plan
 - Mandated by AFI 63-124
- Process
 - Monitor
 - Evaluate
 - Report
- Service Delivery Summary
- Performance Monitoring Plan
- Monthly Performance Report
- Performance Folder

Service Delivery Summary (SDS)

- Required by AFI 63-124, Performance-Based Services Acquisition
- Contract and Annex Level
- Specified in tasks, as required
- Provides objective evaluation of performance
- Useful in award fee/term evaluations
- Contractor shall maintain database and provide actual measurement/metric status monthly to the Government
- Must be verified monthly as a minimum
 - The gov't includes results in performance report

SDS - Contract Level

<u>Performance Objective</u>	<u>TRD Ref</u>	<u>Threshold</u>	
1) Manage Program costs and finances		1000.2.4	100% of the time
2) Attain Program Efficiencies (includes Range Interoperability, cost savings/avoidance, etc.)		1000.2.9	100% of the time
3) Customer-centered Mission Support time		10002.1.4	Excel 95% of the
4) Utilize Industry Standards (includes ISO 9001, CMMI, etc)	1000.3.1	95% of the time 3C00.1	
5) Manage ES&H Program	1000.6	100% of the time	
6) Maintain Program/Resource Security	1000.7.5	100% of the time	

SDS “Examples”

Annex 1 Level

<u>Performance Objective</u>	<u>TRD Ref</u>	<u>Threshold</u>
Ensure there are no instances of the time undocumented trouble call work	1001.14.4.1.3	100% of
Ensure that Mission Control Rooms are available to support missions	2G01.4.1.1	95% of the time
Ensure a coordinated communication the time and video plan is written and executed 3 days after requirement is received	2G01.4.2.5	90% of
Fabricate, integrate, assemble, and install AFFTC T&E systems within the negotiated task schedule variance threshold	3001.4.3	95% of the time

Performance Monitoring

Process Performance Monitoring Plan

(Pages 22-26 and Exhibit 4-2, Page 25)

- Methodology for monitoring contractor performance
- Developed by the performance monitor with assistance from JPMO as required
- Must be signed by the FAE for organ. accountability
- Variety of surveillance methods used

PERFORMANCE MONITORING PLAN

GENERAL: This Performance Monitoring Plan establishes the procedures for monitoring, evaluating, and reporting the contractor's performance. Contractor information, method of performance evaluation, performance report, review responsibilities, and reporting requirements follow.

1. **CONTRACTOR NAME:** JT3, LLC

2. **CONTRACT INFORMATION:**

- **Title:** Joint Range Technical Services (J-TECH) Contract

- **Contract Number:** F42650-01-C-7218

- **Area of Support:**

- TRD Paragraph:

- Task# (if applicable):

- Task Title (if applicable):

- **CDRL Requirements**

3. **MONITORING: Method of Performance Evaluation**

- At least every month, performance will be evaluated by using one or more of the methods checked below. Check all that apply or may be used if deeper levels of scrutiny is required.

☐ A. Performance by walk-through

☐ B. Regularly scheduled meetings

☐ C. Review of records and reports

☐ D. Review of standards, plans, procedures and contract for compliance

☐ E. Random sampling

☐ F. Review of project plans for technical adequacy

☐ G. 100% Inspections

☐ H. Trend analysis and tracking

☐ I. Review and analysis of technical reports (CDRL items included).

☐ J. Tracking of schedules, cost reports, milestones, and accomplishments

☐ K. Personal observations of tests and work areas

☐ L. Review of customer surveys

☐ M. Review of maintenance related activity

☐ N. Contractor metrics

☐ O. Third-party audits or assessments

☐ P. Other (i.e., Contractor Productivity, Technical Competence, Quality, etc.)

4. **EVALUATING: PERFORMANCE REPORT**

- A Monthly Performance Monitoring Report is completed by the 5th calendar day of the month. The Functional Area Evaluator (FAE) will consolidate all Monthly Performance Monitoring Reports for their area and forward their consolidated Monthly Performance Monitoring Report to the Functional Area Chief (FAC) by the 10th calendar day of the month.

5. **EVALUATION FACTORS:** The contractor will be evaluated in the following areas (see Award Fee/Term Grade Definitions listed in Attachment 10 of the J-TECH Award Fee/Term Plan:

- Technical Performance
- Program Management
- Personnel Attraction/Retention
- Security
- Cost Management
- Special Interest (as applicable)

6. **REPORTING/TIMELY FEEDBACK TO CONTRACTOR:**

- The FAE will provide timely feedback regarding any deficiencies or substandard work for contractor corrective action. All corrective action will be documented in the Monthly Performance Monitoring Report.

7. **PERFORMANCE MONITORING ACTIVITY:** Contractor's performance will be monitored using the methods shown in Part 3 above. The report shall detail the strengths, weaknesses, and any areas where the contractor does not meet contract requirements. A copy of the Monthly Performance Report will be retained in the Performance Folder. The contractor's management chain of command will be used to report significant deficiencies, immediately upon discovery. All performance monitors are required to attend Performance Monitor Training at least once, so they are familiar with contract and government performance monitoring requirements.

PREPARED BY:

NAME :
Organization:
Phone:
Date:

APPROVED BY:

NAME:
Organization:
Phone:
Date:

Performance Monitoring Process

Monthly Performance Monitoring **Report**

(Page 27 and Exhibit 4-3, Page 28)

- Vehicle for documenting contractor performance
- Completed by performance monitor based on
 - Own observations
 - Consolidated inputs from other performance monitors
- Includes
 - Special Conditions
 - Assessment of award fee/term criteria
 - Areas for Improvement
 - Deficiencies
 - Notable Achievements
- Attach contractor-provided Monthly SDS Report, if applicable

Performance Monitoring Process

Monthly Performance Monitoring Report (Cont'd)

(Page 27 and Exhibit 4-3, Page 28)

- Raters MUST be functionally skilled to surveil
 - No data clerks eval fiber optics installations
- Never rate outside scope of TRD/LOTD
 - Know the requirement/boundaries
- Document what really happened during “the period”
 - Met/Noted – is not good enough
 - Areas for Improvement, Notable Achievements, etc.
- No “opinions” on performance documentation
 - State performance against the requirement (no freebees)
- Rate the task, NOT the people (rate output/end result)
- Contractor is not responsible if issues are
 - Government-induced
 - Outside their control

Do NOT ding them for it !!

MONTHLY PERFORMANCE MONITORING REPORT

FAE/FS:

Report Month:

Organization:

Date Submitted:

TRD Area of Support/Task Title:

TRD Paragraph #/Task #:

Name of Contractor Representative Notified:

RATING: *(Double click on selected box and check Default Value)*

Excellent ☐

Very Good ☐

Satisfactory ☐

Unsatisfactory ☐



SPECIAL CONDITIONS: *(Describe any special conditions, which may have influenced contractor monthly performance. Special conditions may include aspects of the technical, economic, and schedule environment under which the contractor was required or unable to perform and the effect they had on contractor performance).*

CRITERIA: *(Assess contractor performance with the task or functional area requirements. Be specific, give examples, and identify benefits. Identify strengths, weaknesses, performance trends (i.e., improving, steady, or worsening), describe any corrective actions that are being planned or taken, if appropriate. Use the Performance Monitoring Plan and the Award Fee/Term Criteria for additional guidance.)*

- Technical Performance:
- Program Management:
- Personnel Attraction/Retention:
- Security:
- Cost Management:
- Special Interest (if applicable):

DEFICIENCIES: *(Briefly describe any areas where repeated government intervention was required, particularly if such intervention failed to resolve the problem).*

NOTABLE ACHIEVEMENTS: *(Briefly describe any areas where the contractor exceeded contract requirements, particularly if yielding cost, time, energy, or process-related savings to the government).*

AREAS FOR IMPROVEMENT: *(Briefly describe any areas where the contractor needed improvement, follow-up, etc. Be specific, cite areas that could result in potential negative impact to task or program execution if not addressed. Include specific examples of contractor performance (not isolated incidents) that substantiate the overall narrative. Indicate the contractor's progress in showing demonstrated performance improvement, as applicable, from previous monthly Performance Monitoring Reports).*

ATTACHMENT

Service Delivery Summary with Actuals and Supporting Data (if required)

Performance Monitoring Process

“PBSA” Performance Monitoring **Strategies**

(Page 22)

● The contractor assumes:

- More responsibility
- More Risk

● In exchange for:

- More Flexibility
- Less direct gov't involvement

● The gov't still responsible:

- To monitor performance
- FAR 52.246 (verify we get what we pay for)
- Needs sufficient information

● PBSA Mandatory Per SEC/DEF

- Insight
- Oversight
- Hybrid

Performance Monitoring Process

“Insight” (Page 22)

- Views process capability, product quality and end-item effectiveness
- Relies on gathering a minimum set of data that clearly reveals the integrity of the product or process
- Relies heavily on evaluating contract deliverables, existing contractor processes, procedures and working documents
 - Trend analysis and tracking
 - Internal or external process metrics and performance requirements
 - Service Delivery Summary (SDS) submissions
 - Similar non-intrusive methods
- Goal is to primarily follow an *insight*-driven performance-monitoring strategy unless stated otherwise in the contract
- Allows the contractor to assume increased responsibility and accountability for the integrity of processes

Performance Monitoring Process

“Oversight” (Page 22)

- **Not to be confused with generic responsibility for gov’t oversight**
- **Used when perceived/evidence of poor contractor performance**
- **Mandatory government inspections to directly control products and processes completed by the contractor**
- **The government customer is directly involved**
 - **With review and approval authority**
 - **Assuring key characteristics of products or processes are stable and in control.**
- **Under PBSA, the gov’t strives to limit the use of *oversight***
 - **To specifically problematic areas**
 - **To Tasks critical to mission support (Contractual key mission areas)**
 - **To Tasks impacted due to safety concerns, etc.**

Performance Monitoring Process

“Hybrid” (Page 22)

- **Combines the elements of *insight* and *oversight***

- Used when the government lacks confidence the contractor is able to identify, manage and control risks to the program

- **Use of a hybrid approach may include:**

- A serious technical problem with existing or new hardware
- Affects mission support
- Affects acquisition of new technology
- The use of unproven processes by the contractor, etc.

- ***Oversight* may be used selectively where required, until it is proven the contractor has all critical problems/processes under control.**

- **Contractor must demonstrate ability to mitigate risks, only then will the government consider transitioning wholly to *insight***

- **The transition period from *oversight* to *insight* is considered *hybrid* and accomplished incrementally, depending on contractor's performance.**

Performance Monitoring Process

Monthly Performance Monitoring **Award Fee Grade Definitions**

(Attach 10, Page 19, 20)

MISSION CAPABILITY AND COST MANAGEMENT (5 Areas Total)

- **MISSION CAPABILITY (4 Areas, 90%)**

- 1. Technical Performance (60%)**

- Implementation of sound technical approaches
- Address range interoperability and security issues
- Effective software development
- Identify schedule and mission impacts
- Ability to deliver technical reports/other deliverables

- 2. Program Management (25%)**

- Establish an effective team
- Provide appropriate resources
- Identify problems / be proactive
- Effectively support the mission

Performance Monitoring Process

Monthly Performance Monitoring **Award Fee Grade Definitions**

(Attach 10, Page 19, 20)

- **MISSION CAPABILITY (Cont'd)**

- 3. Personnel Attraction Retention (10%)**

- Ability to attract and retain a skilled workforce

- 4. Security (5%)**

- Ability to establish and maintain an effective security program

- **COST MANAGEMENT (10%).....(also the 5th area)**

- Actual cost compared to budget
 - Development of accurate cost estimates
 - Improvement of cost accounting system
 - Demonstrating good cost control management

Performance Monitoring Process

Monthly Performance Monitoring Award Fee Rating Criteria

(Performance Categories - Attach 10, Page 19, 20)

- **Excellent Performance (93-100)**

- Timely/comprehensive assessments—cost, sched, tech performance
- Strong leadership and a proactive, efficient team
- Meets/exceeds SDS requirements--mission impacts (if any) are minor
- Technical, Program Mgt, Personnel, Security and Cost exceed mission requirements—significant benefit to the government
- Areas of concern are minor, self assesses, corrects, no gov't prompting

- **Very Good Performance (82-92)**

- Timely assessments—cost, sched, tech performance
- Develops an effective team
- Meets/exceeds most SDS requirements—minor mission impact
- Technical, Program Mgt, Personnel, Security and Cost exceed mission requirements—above expectations
- Some areas may require improvement, but are minor and offset by better performance in other areas
- Recurring problems noted, corrects, good probability of cost reduction

Performance Monitoring Process

Monthly Performance Monitoring Award Fee Rating Criteria

(Performance Categories - Attach 10, Page 19, 20)

- **Satisfactory Performance (70-81)**

- Provides visibility into cost, schedule, tech performance
- Maintains responsive working relationships
- Routinely meets SDS requirements—some impact to the mission
- Technical, Program Mgt, Personnel, Security and Cost are adequate
- Some areas of Very Good and Excellent performance—offset by deficiencies in other areas, recurring problems, little cost control, etc.

- **Unsatisfactory Performance (0-69)**

- Fails to provide adequate cost, schedule, tech performance
- Working relationships are ineffective
- Seldom meets SDS requirements—significant mission impact
- Technical, Program Mgt, Personnel, Security and Cost exceed mission requirements—inadequate
- Performance does not meet expectations, repeated gov't intervention needed to meet minimum standards, lack of cost control (near/long term impact)

Performance Monitoring Process

Monthly Performance Monitoring **Rating**

Criteria

(Page 27 and Exhibit 4-3, Page 28)

- I - Mission Capability
 - Technical Performance
 - Program Management
 - Personnel Attraction/Retention
 - Security
- II - Cost Management
- Performance ratings req'd for each of the 5 areas along with a total roll-up rating of overall effort
 - Excellent
 - Very Good
 - Satisfactory
 - Unsatisfactory
- Attach SDS Report if appl

Performance Monitoring

Process Performance Monitoring **Folder**

- Central file that contains all performance documentation (Page 29)
- Established by the performance monitor with assistance from the JPMO, as required
- Contains
 - PCO or Annex ACO, as applicable, designation letter and Performance Measurement Training Certificate
 - Tasking document (LOTD or TD), if applicable
 - Technical Requirements Document and any applicable CDRLs
 - Monthly Performance Monitoring Reports (may be retained on computer disk)
 - Award Fee/Term Plan
 - Other applicable documents, Performance Measurement Training Guide and contractor correspondence

Performance Monitoring Process

Monthly Performance Monitoring **Process**

(Figure 4-1, Page 30)

- JPMO calls for monthly performance evaluations from FACs (**EoM**)
- Contractor forwards SDS Summary to FS/FAE (**NLT 5th**)
- FAEs initiate monthly reports, attach SDS Summary and forward to Contractor and FAC for review (**NLT 10th**)
- FAE meets with Contractor counterpart to review performance
- FACs hold contractor feedback meetings, as required, and submit monthly summary to the JPMO (**NLT 15th**)
- JPMO reviews monthly summary for completeness and determines if any deficiencies are reported
- If a deficiency is reported JPMO investigates deficiency, discusses with FAC and contractor and resolves
- JPMO consolidates monthly summaries into Monthly Performance Monitoring Activity Report which is distributed to the Award Fee/Term Review Board members (**as early as possible**)

Award Fee/Term Process

(Figure 5-1, Page 32)

- Intended to motivate the contractor's performance
- Process managed and administered by the JPMO
- Each Annex responsible for monitoring and reporting contractor performance for their area
- Each Annex evaluates and rates contractor performance (Page 35, Exhibit 5-1)
- Award Fee/Term Review Board (AF/TRB) recorder consolidates inputs
- FACs brief their Annex evaluation to the AF/TRB
- AF/TRB presents its recommendations to the Fee/Term Determining Officials (F/TDOs)
- F/TDOs determine award fee/term earned

In Closing.....We Discussed:

- Contract Overview – Type/Value
- J-Tech Program Management Office (JPMO)
Structure & Responsibilities
- Program Management Structure & Responsibilities
 - 4 Air Ranges (West Coast Test/Training)
- Tasking Process (LOTD/TD) – Tied to TRD
- Financial/Cost Management Process
- Contract Administration – Scope/Limitations
- Performance Management/Measurement Process
 - Plan, Report, Ratings, Timelines, Subjective, SDS, etc.
- Award Fee/Term Process
 - All performance rolls into Award Fee.....it DOES count !!

QUESTIONS????

